



Senate

General Assembly

File No. 338

February Session, 2006

Substitute Senate Bill No. 579

Senate, April 4, 2006

The Committee on Public Health reported through SEN. MURPHY of the 16th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR
MEDICAL SERVICES AND TREATMENT FOR MORBID OBESITY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2 (1) "Morbidity obesity" means (A) a weight that is at least one hundred
3 pounds over or twice the ideal weight for frame, age, height and
4 gender as specified in the 1983 Metropolitan Life Insurance tables, (B) a
5 BMI equal to or greater than thirty-five kilograms per meter squared
6 with comorbidity or coexisting medical conditions related to morbid
7 obesity such as hypertension, cardiopulmonary conditions, sleep
8 apnea or diabetes, or (C) a BMI of forty kilograms per meter squared
9 without such comorbidity; and
- 10 (2) "BMI" means body mass index that equals weight in kilograms
11 divided by height in meters squared.
- 12 (b) On or before October 1, 2007, the Insurance Commissioner shall

13 adopt regulations, in accordance with chapter 54 of the general
14 statutes, establishing guidelines for health insurance coverage for
15 medical services and treatment for morbid obesity. Such regulations
16 shall:

17 (1) Require that each individual and group health insurance policy
18 providing coverage of the type specified in subdivisions (1), (2), (4),
19 (11) and (12) of section 38a-469 of the general statutes delivered, issued
20 for delivery, amended, renewed or continued in this state on or after
21 October 1, 2007, provide coverage for the medically necessary
22 expenses of the diagnosis and treatment of morbid obesity, including,
23 but not limited to, bariatric surgery, physician office visits, health and
24 behavior assessments, nutrition education, patient self-management
25 education and training and therapeutic exercises.

26 (2) Limit coverage of bariatric surgery to providers of surgical
27 services that are: (A) Certified by the American College of Surgeons as
28 a level 1a Bariatric Surgery Center; or (B) certified by the American
29 Society for Bariatric Surgery as a Bariatric Surgery Center of
30 Excellence.

31 (c) The regulations adopted pursuant to subsection (b) of this
32 section do not apply to any health insurer that obtains approval from
33 the Insurance Department on or before October 1, 2007, to provide
34 coverage for the medically necessary expenses of the diagnosis and
35 treatment of morbid obesity, including, but not limited to, bariatric
36 surgery, physician office visits, health and behavior assessments,
37 nutrition education, patient self-management education and training
38 and therapeutic exercises.

39 Sec. 2. (NEW) (*Effective October 1, 2007*) Each health insurer, as
40 defined in section 38a-478n of the 2006 supplement to the general
41 statutes, hospital service corporation, as defined in section 38a-199 of
42 the general statutes, or medical service corporation licensed to conduct
43 health insurance business in this state shall offer to any individual,
44 partnership, corporation or unincorporated association providing
45 group hospital or medical insurance coverage for its employees a

46 group hospital or medical service plan or contract providing coverage
47 for the medically necessary expenses of the diagnosis and treatment of
48 morbid obesity.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>October 1, 2007</i>	New section

PH *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
State Comptroller - Miscellaneous	Various - Cost	None	700,000

Municipal Impact:

Municipalities	Effect	FY 07 \$	FY 08 \$
Various Municipalities	Cost	Potential	Potential

Explanation

Since the bill requires coverage that slightly exceeds the protocols of the existing state health plans, a cost increase of less than 0.10% would occur when new contracts are entered into in FY 08. This would translate into approximately \$700,000 annually for FY 08 for all medical plans. However it should be noted that the state should save in future years. If the treatment is successful, the often attendant medical conditions of high blood pressure, diabetes and heart disease, etc. would improve and could produce a reduction in the state's medical costs for the treatment of the related conditions.

The bill's impact on municipal health insurance costs will vary based on existing municipal coverage. To the extent the coverage required under the bill is greater than is currently provided; there would be increased costs and the potential for future savings.

The bill also requires the commissioner of the Department of Insurance to adopt certain regulations. This does not have a fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 579*****AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR MEDICAL SERVICES AND TREATMENT FOR MORBID OBESITY.*****SUMMARY:**

This bill requires certain health insurers, beginning October 1, 2007, to offer individual and group coverage for the medically necessary expenses of diagnosing and treating morbid obesity. It requires the insurance commissioner to adopt regulatory guidelines requiring coverage for certain items and limiting coverage for bariatric surgery to procedures performed in certified locations. Insurers who obtain Insurance Department approval to cover diagnosis and treatment of morbid obesity before October 1, 2007 are not subject to these regulations.

EFFECTIVE DATE: Upon passage for insurance commissioner regulatory guidelines and October 1, 2007 for the mandatory offer.

MORBID OBESITY DEFINED

The bill defines "morbid obesity" as:

1. being at least 100 pounds over, or double, the ideal weight for frame, height, age, and gender listed in the 1983 Metropolitan Life Insurance table (the last revision);
2. having both a "body mass index" (BMI) of 35 or more kilograms per square meter and a related disease or condition such as hypertension, cardiopulmonary conditions, sleep apnea, or diabetes; or
3. a BMI of 40 without related diseases or conditions.

BMI is derived by dividing weight (in kilograms) by height (in meters squared).

Insurance Regulation Requirements and Limitations

The bill requires the insurance commissioner to adopt regulations by October 1, 2007 that establish coverage guidelines for medical services and treatment of morbid obesity. The regulations must require certain individual and group policies to cover the medically necessary expenses of diagnosing and treating morbid obesity. The policies must cover, at least, bariatric surgery, physician office visits, health and behavior assessments, nutrition education, patient self-management education and training, and therapeutic exercise. This requirement applies to basic hospital, basic medical-surgical, major medical, hospital or medical service plan contract, and HMO policies delivered, issued, amended, renewed, or continued after September 30, 2007.

The regulations must limit coverage for bariatric surgery to providers certified as (1) level 1a bariatric surgery centers by the American College of Surgeons or (2) bariatric surgery centers of excellence by the American Society for Bariatric Surgery.

Mandatory Offer of Coverage

The bill requires all “health insurers” (whose definition excludes managed care organizations), hospital service corporations, and medical service corporations licensed in Connecticut to offer individual and group policies that cover medically necessary expenses of diagnosing and treating morbid obesity. They must do so beginning October 1, 2007.

BACKGROUND

Bariatric Surgery

The term bariatric surgery includes a variety of operations, such as gastric bypass and adjustable banding, that either reduce the absorption of nutrients into the body or restrict food intake and promote a feeling of fullness after meals.

Related Bill

sSB 552, reported favorably by the Insurance Committee, requires the committee's chairmen to convene a working group to study the feasibility of requiring coverage of morbid obesity. The bill requires the group to report to the committee by January 1, 2007.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/17/2006)